

Wyoming's Permanent Mineral Trust Fund – where do we stand?

\$4 billion by 2010 – or 4x10 – this is a goal for which legislators have strived for a number of years. Yet, no matter how much money is floating around in surplus revenues, debate always comes back to savings. How

much should we sock away for future generations? How much is enough, and have we been prudent in taking care of our infrastructure needs? These are tough questions. When legislators jumped on the 4x10 bandwagon, some questioned whether it could be done. Some didn't question – it *had* to be done. Will it happen? Here's a quick update on the status of the PMTF...

The PMTF is funded with constitutional and statutory mineral severance tax revenues and occasional direct legislative appropriations. Income from the fund goes to the state General Fund. The PMTF has experienced significant growth over the last few years. In 1999 the fund held \$1.5B ~ and as of December 2006, the PMTF held \$3.3B – that's a \$1.8B increase in just seven years.

For the first thirteen years, the first 2% of severance taxes was deposited into the account to grow the corpus. Later, 1.5% was constitutional and .5% was directed to the Budget Reserve Account. In 2005, 1% was added to the constitutionally required 1.5% of severance taxes to be deposited and that percentage continues today, until further legislative action. With this, Wyoming's savings rose from 24% to approximately 40%.

Last year, lawmakers agreed to sock an additional \$200M away into the Permanent Mineral Trust Fund (PMTF) – this is over and above what was statutorily and constitutionally required. However, not all of that \$200M will go into the fund.

Of the \$200M, \$20M was deposited last year, \$20M was deposited on January 1, 2007, and \$40M will go in on July of this year, leaving \$120M on the table. At the beginning of the budget discussions during this legislative session, the House and Senate took different approaches to dealing with this \$120M. The House wanted to sock away \$80M into savings, while the Senate proposed spending it all. The Governor did not request that any additional monies be deposited into the account.

Ultimately, common ground fell on \$40M to be deposited into the PMTF. In fact, legislators have deposited more than \$350M in direct legislative appropriations over the last six years. By the same token, deposits from severance taxes above the 1.5% constitutional requirement amount to more than \$389M since 1975.

Wyoming's State Treasurer's Office projections suggest that the fund will indeed reach the \$4B by 2010 goal, and in fact, may reach it early. With over \$670M to be deposited into the account over the 2007-08 biennium, the PMTF is projected to reach \$3.99B by July 1, 2009.

See projections in chart below.

DATE	PROJECTED PMTF BALANCE
July 1, 2007	\$3,285,300,000
July 1, 2008	\$3,664,200,000
July 1, 2009	\$3,992,500,000
July 1, 2010	\$4,361,600,000
July 1, 2011	\$4,741,900,000
July 1, 2012	\$5,133,800,000

Source: Wyoming State Treasurer's Office